



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

**TO THE HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT & BUSINESS**

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013
Date: March 15, 2013
Time: 9:00 a.m.

**WRITTEN TESTIMONY ON
SB 1236 SD1 - RELATING TO FIBER OPTICS**
By Donn Yabusaki, Acting Cable Television Administrator
Department of Commerce and Consumer Affairs.

**TO THE HONORABLE REP. CLIFT TSUJI, CHAIR, AND MEMBERS OF THE
COMMITTEE:**

The Department offers the following comments on SB 1236 SD1, which requires that a fiber optic cable system be installed in every new condominium subject to chapter 514B or new planned community.

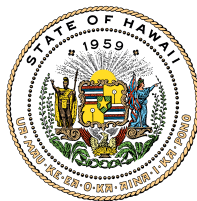
The Department strongly supports the expansion of broadband infrastructure and access throughout the State. However, the Department has concerns that this requirement may place an undue financial burden on some homeowners who may not need, or be able to fully utilize, such a system. There will likely remain remote and sparsely populated areas in the State that do not have access to wireline-based fiber networks for broadband service. The Department believes that these homeowners

should not have to bear the costs of a mandated fiber optic cable system. The Department further believes that this bill should accommodate other technologies, such as less costly copper systems that currently allow access to gigabit speed, and wireless systems that will allow such access in the next few years.

Accordingly, the Department suggests that the bill be amended to require infrastructure that would accommodate alternative technologies, such as the provision of conduit to the home and junction boxes to allow for future installation of wireline broadband technology. Alternatively, developers could be encouraged to provide technology neutral broadband systems in condominiums and planned communities by providing developers with incentives to offer inclusion of a system of the homeowners choosing as a buyer option.

Thank you for the opportunity to testify.

NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
OFFICE OF INFORMATION MANAGEMENT & TECHNOLOGY

P.O. BOX 119, HONOLULU, HAWAII 96810-0119
www.hawaii.gov/oimt

**SANJEEV "SONNY"
BHAGOWALIA**
CHIEF INFORMATION
OFFICER

RANDY BALDEMOR
DEPUTY CHIEF INFORMATION
OFFICER - BUSINESS
TRANSFORMATION

KEONE KALI
DEPUTY CHIEF INFORMATION
OFFICER - OPERATIONS

TESTIMONY OF
SANJEEV "SONNY" BHAGOWALIA, CHIEF INFORMATION OFFICER
TO THE HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT AND BUSINESS

Friday, March 15, 2013

9:00 a.m.

Hawaii State Capitol Conference Room 312

S.B. 1236, S.D. 1

RELATING TO FIBER OPTICS

Chair Tsuji, Vice Chair Ward and members of the committee, thank you for the opportunity to testify on thank you for the opportunity to testify on S.B. 1236, S.D. 1.

The Office of Information Management and Technology supports the intent of S.B. 1236, S.D. 1, which requires the installation of fiber optic cable systems in new single-family, duplex, condominium, and apartment dwellings.

As part of the Hawaii Broadband Initiative (HBI), the Technical Assistance Project aims to implement policy at the State and local levels that will support a minimum broadband technology requirement in all buildings and community development projects and enhanced computer and Internet access, disaster management capabilities and emergency services/communications with the public.

The Technical Assistance Project will provide several recommendations for statutory changes at the appropriate State or County level in order for agencies to implement broadband as critical infrastructure for disaster management and emergency response purposes, including:

1. Statute or ordinance requiring developers to file a broadband plan for newly planned communities and other developments, including high-rises and hotels.
2. Statute or ordinance requiring registered community associations to file a broadband plan.
3. Statute or ordinance requiring high-rise and hotels to install bi-directional amplifiers that will allow greater penetration of digital signals.

Passage of S.B. 1236, S.D. 1 will address the first recommendation made by the Technical Assistance Project. This measure is also closely related to H.B. 941, H.D. 2, which provides for a streamlined and expedited broadband permitting process.

OIMT defers to other appropriate agencies for further comments on the substantive effects of this bill.

Thank you for the opportunity to testify on this matter.

March 15, 2013

The Honorable Clift Tsuji, Chair

House Committee on Economic Development & Business
State Capitol, Room 312
Honolulu, Hawaii 96813

RE: S.B. 1236, S.D. 1, Relating to Fiber Optics

HEARING: Friday, March 15, 2013, at 9:00 a.m.

Aloha Chair Tsuji, Vice Chair Ward, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,000 members. HAR **submits comments** on S.B. 1236, S.D.1, which requires the installation of fiber optic cable systems in new condominiums and planned communities.

Technology is constantly evolving, and with the planning of new developments until full completion could take numerous years. During that time, new innovations in the area may occur.

Furthermore, HAR believes there should be discussion between developers and local counties. For example, neighbor-island counties may be remote and present geographical and topographical (i.e. lava) challenges in complying with this measure. Such discussion will help determine if such a requirement is feasible and the challenges that each county may face. Different counties and communities may need access to different technologies, such as wireless, due to its location, geography, infrastructure or topography.

Additionally, a condominium subject to 514B is not only a typical high-rise. A property could be a Condominium Property Regime ("CPR"). A CPR is a condominium regardless of the architectural style of the apartment, be it a high-rise, townhouse or 2 or 3-unit detached single-family home.

Should the committee be inclined to pass this measure, we request the following amendment to reference the appropriate Hawai'i Revised Statute Chapter relating to planned community associations.

Page 1, line 12:

“... or a new planned community subject to chapter 421J...”

Mahalo for the opportunity to testify.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

"Building Better Communities"

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Testimony to House Committee on Economic Development and Business

Friday, March 15, 2013

9:00 a.m.

State Capitol - Conference Room 312

RE: S.B. 1236, S.D. 1, RELATING TO FIBER OPTICS

Dear Chair Tsuji, Vice-Chair Ward, and members of the Committee:

My name is Gladys Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii), the voice of the construction industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, affiliated with the National Association of Home Builders.

BIA-Hawaii is **opposed** to S.B. 1236, S.D. 1, which would require installation of fiber optic cable systems in condominiums and planned communities.

BIA-Hawaii is opposed for the following reasons:

- 1) We believe this mandate is unnecessary as providers already provide this service to new developments.
- 2) We are especially troubled that the requirement is tied to issuance of a building permit. We understand that these cable systems are brought in from a source that the homeowner would have no control over. There is no nexus is tying the requirement to a building permit.
- 3) The bill would require "a fiber optic cable system.....pursuant to subsection c". Subsection c states that "the director shall adopt, by rule, standards for fiber optic cable systems". Therefore, S.B. 1236 is requiring a "system" that has yet to be defined.

Therefore, BIA-Hawaii is **opposed** to S.B. 1236, S.D. 1.

Thank you for the opportunity to express to you our views.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Amended Statement of
RICHARD C. LIM
Director

Department of Business, Economic Development & Tourism

before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Friday, March 15, 2013
9:00 a.m.
State Capitol, Conference Room 312

in consideration of

SB 1236, SD1
RELATING TO FIBER OPTICS.

Chair Tsuji, Vice Chair Ward, and Members of the Committee.

SB 1236, SD 1, requires installation of fiber optic cable systems in all new condominiums and planned communities.

As a partner in the Hawaii Broadband Initiative, the Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** expansion of broad band infrastructure and access throughout the State of Hawaii. Equipping the people of Hawaii with a wire-line or wireless system will provide the foundation to maintain global economic competitiveness and will serve as a catalyst to drive innovation.

DBEDT supports OIMT's comments that the definition of condominiums exclude small scale CPRs, ohanas, and single-family homes. Therefore, fiber infrastructure for condos will be limited to large development projects, such that any costs of bringing fiber to the building will be proportionally dispersed among HOA. The cost for running fiber and copper within a building is roughly the same according to providers. State and county agencies should require implementation of broadband infrastructure for disaster management and emergency response purposes.

DBEDT defers comment on the adoption of the rules and standards to the responsible regulatory agencies. Thank you for the opportunity to offer comments on this bill.